

***Technology, Telecommunications  
& Energy Committee***

***HB 1528***

***Brief Description:*** Reducing regulatory requirements on competitive telecommunications services and companies.

***Sponsors:*** Representatives Poulsen, Crouse, Ruderman and Delvin; by request of Utilities & Transportation Commission.

***Brief Summary of Bill***

- *Provides additional flexibility for the Washington Utilities and Transportation Commission (WUTC) to reduce regulatory requirements for competitive telecommunications services.*
- *Allows the WUTC to determine whether or not price lists for competitive telecommunications services may be filed with the commission.*

***Hearing Date:*** 2/9/01

***Staff:*** Pam Madson (786-7166).

***Background:***

*As telecommunications markets have become more competitive, increasing flexibility has been provided in the regulation of telecommunications companies and services. In 1985, the Washington Utilities and Transportation Commission (WUTC) was directed to begin classifying certain telecommunications companies and services as competitive if the services they offer are subject to effective competition.*

*In determining whether a company or service is competitive, the commission considers factors such as the number and size of competing providers, the extent to which service is offered in the relevant market, the ready availability of equivalent services at competitive prices, and other indicators of market power.*

*A telecommunications company may be classified as a competitive telecommunications company by petitioning the commission for such classification. The commission may also initiate a petition.*

*Competitive telecommunications companies are subject to minimal regulation. They may file price lists rather than tariff schedules. Price lists become effective sooner than tariffs. The commission may waive other requirements if it determines that competition will serve the same purpose as regulation. It may waive different regulations for different companies. Reporting requirements are less rigorous than those for noncompetitive companies. The commission may revoke waivers and reclassify a company to protect the public interest.*

*Noncompetitive companies may provide services that are classified as competitive. Customers of the service must have reasonable alternatives available and the service must not be provided to a captive customer base. The commission may permit services to be provided under a price list. Prices charged for the service must cover the cost of the service. Losses incurred for competitive services cannot be recovered through rates for noncompetitive services.*

**Summary of Bill:**

*Additional flexibility is provided to the Washington Utilities and Transportation Commission (WUTC) to reduce regulatory requirements for competitive telecommunications services.*

*The term competitive telecommunications services– includes both telecommunications companies and telecommunications services that are classified as competitive. Competitive telecommunications services are subject to minimal regulation.*

*For competitive telecommunications services, the commission must waive any regulation if it determines that competition will serve the same purpose as public interest regulation. Different companies and services may be subject to different regulations if such treatment is in the public interest and does not result in unfair competitive advantage.*

*The commission has the flexibility to determine whether or not a price list is filed with the commission. A competitive company must maintain a current price list that is accessible to the public. Customers must be notified of any changes in prices, and the manner and timing may be determined by the commission.*

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.